REMARKS/ARGUMENTS

Applicants thanks the Examiner for his consideration of the present application. Applicants note that they have not received an initialed copy of the Information Disclosure Statements filed February 26, 2002 and July 30, 2003. For convenience, Applicants provide herewith copies of the same. To the extent the Examiner has not already done so, Applicants respectfully request that the Examiner consider the references cited therein and return a copy of the initialed form 1449 for Applicants' records.

Claims 1-79 are presently pending. Applicants have amended independent claims 1 and 39 as set forth herein. Applicants respectfully request reconsideration, reexamination and allowance of the pending claims.

The Examiner has rejected claims 1-79 under 35 U.S.C. §103(a) as allegedly being unpatentable over Whitehouse, U.S. Patent 6,005,945 in view of Lewis, U.S. Patent 6,233,565. Applicants respectfully request that the rejection be withdrawn

Applicants' invention, as set forth in independent apparatus claim 1 and independent method claim 39, is directed to a scalable system includes, among other elements, a stateless cryptographic module in which security device transaction data may be processed in a stateless manner. Being stateless, the transactions are not tied to one machine, so multiple server machines can service each functional subsystem allowing additional hardware to be added easily to each subsystem to handle increased processing load. Additionally, one or more

stateless cryptographic modules are responsible for creating multiple PSDs and manipulating the PSD's data for security.

Further, as set forth in currently amended claims 1 and 39, the stateless cryptomodules also are capable of processing value for the users. As explained by Applicants in connection with an exemplary embodiment of the claimed invention:

> Cryptographic modules 110 are responsible for creating PSDs and manipulating PSD data to protect sensitive information from disclosure, generating the cryptographic components of the digital indicia, and securely adjusting the user registration. When the user wishes to print the VBI, for example postage or purchase additional VBI or postage value, a user state is instantiated in the PSD implemented within one of the cryptographic modules 110. Database 111 includes all the data accessible on-line for indicia creation, account maintenance, and revenue protection processes.

Specification, pp. 9 and 10. In Applicants' system, the number of cryptographic modules therefore may be increased or decreased to meet the changing needs of the system, including the processing of value, such as, for example, the purchase of additional VBI or postage value without the necessity of a separate, dedicated master PSD.

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As acknowledged by the Examiner, Whitehouse does not disclose such a scalable system with stateless cryptographic modules. See October 27, 2003 Office Action, paragraph 4. Lewis, the reference newly relied upon by the Examiner, does disclose stateless cryptomodules acting as PSDs 20n. See Lewis, col. 6, lines 60-62. However, Lewis does not disclose or suggest the use of stateless, scalable cryptomodules that also allow for processing value as set forth in amended independent claims 1 and 39. In fact, Lewis specifically teaches against the use of the stateless, scalable cryptomodules 20n for processing value. Instead, Lewis requires the use of a dedicated master PSD 40 for processing value:

> The master PSD 40 is responsible for all cash management functions . . . [T]he master PSD maintains a "pool" of postage with which the individual PSDs transact business. Customer 2n transactions occur between the customer's PSD 20n and the master PSD 40 over a secure bus 50, at RSP 4. Postage purchase transactions and funds flow occur between the master PSD 40 and the Computerized Meter Resetting System ("CMRS") infrastructure 60 of the United States Postal Service Treasury . . .

Lewis, col. 6, line 60 - col. 7, line 10. The requirement of a master PSD by Lewis clearly distinguishes Applicants claimed invention from the disclosure of Lewis. Accordingly, as neither Whitehouse nor Lewis disclose or suggest Applicants' claimed

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inventions as set forth in claims 1 and 39, the rejection of those claims should be withdrawn.

The remaining claims 2-38 and 40-79 depend directly or indirectly on independent claims 1 and 39, and therefore are also in condition for allowance.

Based on the foregoing, Applicants respectfully request early issuance of a Notice of Allowance for claims 1-79.

Respectfully submitted,

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